REMARKS/ARGUMENTS

Claims 1-9 are present in this application.

Claims 1-9 were rejected under 35 U.S.C. §102(e) over U.S. Patent No. 6,122,625 to Rosen. This rejection is respectfully traversed.

The present invention in claims 1 and 9 encompasses a method of _qualifying_ a participant over a global network in a transaction requiring the transfer of funds from the participant using a qualifying system. Claim 7 defines a computer system for effecting qualifying of a participant in such a transaction, and claim 8 defines a computer program embodied on a computer-readable medium for qualifying a participant. As such, the method, system and program of the invention endeavor to encompass a precursor to an actual transfer of funds to complete the transaction. The qualification in fact typically enables participation in the transaction without necessarily including any funds transfer.

In contrast with this general premise of the claimed invention, the Rosen patent defines a system that facilitates electronic funds transfer. The system enables a user to perform conventional banking functions electronically as well as to complete transactions by transferring funds electronically.

Claim 1 defines, _inter alia_, a step of (c) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualifying system, the participant or the other party. In this context, the Office Action references "figs. 30-31 and associated text," without any particular discussion of the subject matter allegedly disclosed in the Rosen patent. Figure 30 in Rosen, however, generally illustrates a process for requesting a withdrawal (see column 41, lines 40-57), and Figure 31 encompasses a sign-on process (see column 36, line 14 - column 37, line 7). Nowhere in either of these figures

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does Rosen even remotely disclose a qualifying system that reserves a portion of an account according to a transaction parameter. Beyond a vague reference to "figs. 30-31 and associated text," which sections are in fact irrelevant to this feature of the invention, the Office Action does not reference a single teaching in Rosen to support the grounds of rejection.

A potentially more relevant section in the Rosen patent relates to "subscriber-to-subscriber payment" beginning at column 48, line 34, with reference to Figure 36. Figure 36 illustrates the process flow for a payment transaction from one participant to another. In no instance, however, is either participant subject to qualification by reserving a portion of a funding account according to a transaction parameter. Rather, provisions are made whereby a buyer (Alice) indicates an amount of funds to be transferred, and a seller (Bob) indicates acceptance of the terms. Subsequently, the funds are transferred.

Although during the process the system determines whether the buyer has sufficient funds available to complete the transaction, this determination is distinguishable from the reservation of a portion of a consumer funding account to effect qualification of a participant as defined in claim 1 of the present application. As noted, qualification of a participant is a precursor to entering a transaction. A participant may be qualified for a transaction without funds matching the entire transaction amount in the consumer funding account. The system in fact is not necessarily meant to effect transfer of funds upon completion of the transaction. Rather, the system enables participant qualification for example to provide security in the event that one participant fails to perform. For example, the transaction parameter may be a deposit required by either the buyer or the seller (as defined in dependent claim 2 – discussed in more detail below). Thus, upon non-performance after the transaction is complete, the aggrieved party can recompense any losses via the reserved deposit amount.

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Rosen thus lacks at least (c) the qualifying system reserving a portion of the consumer funding account according to a transaction parameter determined by at least one of the qualify system, the participant or the other party; and (d) the qualifying system qualifying the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter.

In a similar context, with regard to claim 7, Rosen also lacks a system server reserving a portion of the consumer funding account according to a transaction parameter . . . , wherein the system server qualifies the participant for the transaction if the consumer funding account satisfies conditions of the transaction parameter. Claim 8 defines related subject matter embodied in a computer program, and claim 9 defines steps similar to those in claim 1 in steps (d) and (e). Since at least these features of the invention are lacking in the Rosen patent, Applicant respectfully submits that the rejection is misplaced.

With regard to the dependent claims, Applicant submits that these claims are allowable at least by virtue of their dependency on an allowable independent claim. In addition, claim 2 recites that the transaction parameter is a required deposit. In this context, the Office Action references "figs. 11-12 and associated text." This section in Rosen, however, describes a manner of effecting a conventional deposit in a banking environment. The deposit required as set forth in claim 2, in contrast, is a transaction parameter that facilitates qualification of the participant. For example, a seller may require the system to reserve a portion of the buyer's consumer funding account (in the nature of a deposit toward the purchase price) in order to provide some recourse in the event of non-payment by the buyer. On the other hand, the buyer may require the system to reserve a portion of the seller's consumer funding account in order to provide recourse in the event of non-performance (e.g., non-delivery) by the seller.

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Claim 5 recites a step of releasing the reserved portion of the consumer funding account when the transaction is completed. In Rosen, in contrast, funds are physically transferred between buyer and seller, and Rosen does not "release" any reserved portion of the accounts.

Other features defined in the dependent claims are also lacking in the Rosen patent.
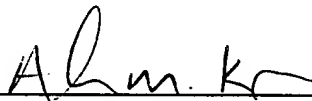
For at least these reasons, Applicant respectfully submits that the rejection is misplaced. Reconsideration and withdrawal of the rejection are respectfully requested.

In view of the foregoing remarks, Applicant respectfully submits that the claims are patentable over the art of record and that the application is in condition for allowance. Should the Examiner believe that anything further is desirable in order to place the application in condition for allowance, the Examiner is invited to contact Applicant's undersigned attorney at the telephone number listed below.

Prompt passage to issuance is earnestly solicited.

Respectfully submitted,

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